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Property Owners  
Alliance  
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Argent Ventures, LLC

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Nederlandler  
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Shine America

Thaddeus Smith  
The Fonda Theatre

Tej Sundher  
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July 30, 2012

TO: Miranda Paster, Office of the City Clerk

FROM: Kerry Morrison, Executive Director, HPOA

SUBJECT: Second Quarter Report: April 1, 2012 through June 30, 2012

As is required in our Agreement with the City of Los Angeles, I am submitting our Second Quarter Report to summarize key activities of the Hollywood Entertainment District.

## I. Operational Issues

- The board met with Fabio Vasco, CPA, at their April 19, 2012 meeting, who went through the draft of the 2011 Financial Review, as required by the city contract. The review was approved by the board at that meeting.
- At the May, 17, 2012 board meeting, the staff recommended that no CPI increase be applied for the 2013 tax year. The board affirmed the recommendation
- Two USC graduate school interns were hired for the summer to assist with three project areas: (a) Safe Hollywood Nights; (b) Economic Trends and Benchmarking; and (c) Local Government Regulations and Enforcement.
- Staff is monitoring the Mayor's proposal to create an Economic Development Department in the city, in the wake of the CRA dissolution, to ensure that any transfer of responsibility for administering the BID program occurs seamlessly and does not diminish the level of quality support now received from the City Clerk's office.

## II. Security

- Discussions continued relative to the merits associated with upgrading the public safety camera system donated to LAPD. A subcommittee was formed, including members of the Sunset & Vine and Media District BID to look at options. LAPD detectives now want the camera equipment moved into their work area. At the subcommittee meeting, Metro Video offered to move the cameras to the detectives'

room by covering the cost of labor, if the BIDs paid for the cost of supplies. The Board agreed to this move, and their share of the costs (approximately \$800) at the June meeting.

- Staff is monitoring the impacts of a temporary injunction issued affecting a portion of downtown Los Angeles. Associated with the *Lavan* case, the US District court has enjoined against the city removing personal property from the public right of way. This has led to an increase in homeless encampments and unsanitary conditions on the streets and sidewalks near Skid Row. The concern is that this injunction might spread city-wide. During this quarter, members of the LA BID Consortium met with the Mayor to discuss concerns. Additionally, at the June meeting, the board authorized staff to participate in the coalition forming to speak out against allowing this injunction to spread city-wide and asking, instead, for the enforcement of city and county laws that address seizure of abandoned property and sanitation.
- In cooperation with the Chamber and the Council office, BID staff formed a Tour Bus Working Group to develop a set of recommendations to present to the city to calm the situation relative to tour sales, and to improve visitor perception of Hollywood, and the visitor experience. During this time, and NBC Investigative report, holed up in an office building at the corner of Cahuenga and Hollywood for two weeks, demonstrated how tour vans could park for hours without receiving citations.
- In response to John Lyons' report to the board, after attending the reconstituted Nightclub CPAB meeting, Frank Stephan formed a small working group to address some of the issues raised by increased concerns about safety at night. In particular, Captain Girmala has asked the board to reconsider deployment of BID security at night. This subcommittee will meet in July.
- Captain Girmala has asked the BID's support in publicizing the LAPD's "Lock It, Hide It, Keep It" campaign to educate consumers about the importance of hiding their valuables from sight, to avoid car break ins. This will be featured in the upcoming Hollywood Visitors Guide.
- The board adopted a new policy regarding how BID security would respond to calls from stakeholders regarding shoplifting and/or defrauding the innkeeper. These calls shall be referred to LAPD.
- There were 285 arrests made in the second quarter, bringing the YTD total to 518.
- There were 97 referrals made in the second quarter, bringing the YTD total to 177.

### **III. Streetscape**

- Significant activity occurred during this quarter with respect to the Hollywood Community Plan, pending at City Council. The Planning and Land Use Committee took public testimony on May 1, 2012. After that meeting, the Plan was sent to council with no recommendation. The plan was heard in City Council on June 19 and was passed. Appreciation was extended to Councilmember Eric Garcetti and Councilmember Tom LaBonge. The plan now goes to the Mayor for signature.
- Preliminary work was done on a concept to share the cost of removing the Ficus trees, along the Walk of Fame, with adjacent owners. This may be necessary in the wake of the CRA dissolution. However, during the course of the quarter, staff was alerted that outgoing CRA staff was recommending that HPOA be assigned the responsibility of administering the remaining MTA grant funds (approx. \$1.3M) for streetscape improvements along the Walk of Fame, and also in the Sunset & Vine BID. The board authorized the staff to testify at an upcoming July 12 meeting of the Oversight Board, attesting to HPOA's willingness to assume responsibility for these remaining projects, including possibly assuming responsibility for the streetscape elements installed by the CRA (e.g., the Four Ladies statues, etc). No contracts will be consummated, however, without continued Board review and approval.
- The annual tree trimming for trees along the Walk of Fame was completed in April.
- Joe Mariani prepared a report on how the alley assessment is used, for review by the board at their May 17, 2012 meeting.

### **IV. Marketing Issues**

- The International POW WOW Travel Show was held April 22 – 24 in Los Angeles. The Hollywood Entertainment District was a sponsor. As a result, at the opening night celebration at Hollywood & Highland, the HED was featured, and also hosted two interactive photo booths for participants. Kerry Morrison narrated a bus tour through Hollywood on Sunday April 22. The HED had six promotional press releases uploaded to the TravMedia online virtual press room, and a micro site for Hollywood HQ was debuted (in beta form). Over 5,000 travel buyers and media from 70 countries attended the three day event in Los Angeles.
- At the April board meeting, the board directed staff to contact the city to seek the removal of pole banners that were installed on behalf of Madame Tussauds, featuring the Hollywood Entertainment District logo. The banners application permit was filed by American Fleet & Graphics, with reference to the HED as the nonprofit sponsor. However, despite initial conversations about the possibility of a co-branding opportunity, the arrangement was never officially consummated, nor brought to the board's attention.

- At the May meeting, the board asked staff to form a working group to develop a pole banner policy to guide future decisions.

**V. Other**

- In June, staff prepared and administered an online survey to distribute to property and business owners in the area adjacent to the Vine Street parking garage, which is anticipated to open later this year. The purpose was to help DOT better understand some of the needs of the neighborhood, and preferences about employee or monthly parking, validations and peak usage periods.
- In conjunction with the California Downtown Association, staff monitored progress of legislation proposing to prohibit the hiring of consultants or entities involved in the formation of a BID from managing or working for that BID once it has formed. The bill, AB 2265, ultimately was pulled by the sponsor due to intense opposition from BID and downtown associations throughout the state.
- A meeting was held with Guggenheim Securities to explore the concept of forming a joint powers authority in Hollywood to create a parking District. Several members of the BID board and the Chamber have created a working group to continue to explore.
- Staff began working with the Chamber on a proposal to ask the city to shift many of the parking meters in the core part of Hollywood from one-hour to two-hours to facilitate customer access to retail stores and restaurants. The board approved this request at the June 21, 2012 meeting.
- Sarah MacPherson co-chaired the annual Heroes of Hollywood luncheon on June 7, for the purposes of raising funds for the Chamber's Community Foundation.
- Kerry Morrison participated as a speaker at the Chamber's annual Economic Summit, held at the Roosevelt Hotel on June 21, 2012.

## Hollywood Property Owners Alliance

### Annual Limits & Year-To-Date Totals Quarter Ending June 30, 2012

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT THIS QTR	AMOUNT YEAR-TO-DATE	PROJECTED SPENDING FOR REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	3,482,350	2,849,264				
City Fees	34,823		1,664	37,002	-	
Contingency	96,000		371	839	95,161	
Administration	188,960		42,896	88,379	100,581	
Security	1,612,000		254,513	587,715	1,024,285	Quarterly report is on the cash basis. Additional expenses will be accrued at year end.
Maintenance	1,097,400		304,759	563,987	533,413	Quarterly report is on the cash basis. Additional expenses will be accrued at year end.
Personnel	344,800		93,067	182,537	162,263	
ED&C/Marketing	100,000		10,889	46,334	53,667	
<b>TOTAL</b>	<b>3,473,983</b>	<b>2,849,264</b>	<b>708,160</b>	<b>1,506,792</b>	<b>1,969,370</b>	

Other income (not included above):

DWP Grant	5,000.00
Assessment Penalties	4,950.59
Interest-LA City	4,211.11
Interest-other	442.23
<b>Total other income as of June 30, 2012</b>	<b>14,603.93</b>